

Report from BSSEC CIC Roundtable: Do we have an effective ecosystem to enable access to procurement opportunities for social economy organisations in the West Midlands?

REPORT from BSSEC Roundtable 10th December 2024

Online 11 am until 12.30 pm

Facilitated by Sarah Beaumont Director BSSEC CIC

Question for Discussion: How do we improve the ecosystem to support social economy organisations to take advantage of business opportunities available through public and private sector procurement to support sector growth?

1. Introduction

There is a clear determination to build the economy – drawing together themes of enabling good employment, addressing poverty and homelessness, tackling climate change, embracing new technology, reforming public services, empowering local communities, and improving lives. Mark Cooke – Partner at Anthony Collins when describing the new Procurement Act [2024]

Access to procurement is a recurring theme for social economy organisations in the West Midlands. The session was well attended with those attending coming from a broad stakeholder base which included, West Midlands Cluster leads, Universities, large and small Social Economy organisations, Local Authorities, WMCA, and business consultancies. It's a complex topic, however, with the new Procurement Act revised timetable for the end of February 2025, it was felt it was an opportune time to consider how the Social Economy sector is supported to maximise access to new and emerging contract opportunities. Does the ecosystem work as it should?

The session was well supported by experienced thought leaders and BSSEC CIC would like to thank Gayle Monk from Anthony Collins Solicitors and Simon Veasey from Coventry City Council for their considered presentations which informed our discussions. In support was Charles Rapson [WMCA] who updated the participants on the recent changes to the West Midlands Combined Authority approach to procurement. This work is underpinned by the development of a purposeful strategic approach to social value and a new dynamic purchasing system. The new purchasing system is intended to provide increased contract opportunities for social economy organisations with a stronger emphasis on social value.

2. Thought Leadership

The new Procurement Act 2023 (coming into force at the end of February 2025) sets out the objectives that a contracting authority must have regard to – including delivering value for money, maximising public benefit, sharing information about procurement policies and decisions, and being seen to act with integrity. There is also the requirement to consider the barriers that small and medium-sized enterprises may face to participation, and whether such barriers can be removed or reduced. There are more duties to consider, but going forward, during the entire procurement and contracting process.

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Government guidance published last month says: “To achieve value for money, contracting authorities should have a comprehensive understanding of their requirements and link them to their policy priorities (which may include wider economic, social and environmental considerations where they are relevant, proportionate and non-discriminatory)”. Have conversations with the public bodies you work with. This will be really important going forward.

Changes: While the Act consolidates a number of existing regulations, there is also much that is new – and the scope is substantial. The new focus for the Act is: clarity, transparency, value, and fairness.

Improvements – including greater flexibility, a more competitive process for contracts, and improved data on procurements. And with certain sector-specific provisions made and exclusions applied, it's important each organisation considers what the Act will mean for them and that we communicate this to organisations in our networks. Clearly, there will be commissioning and procurement teams and suppliers impacted by these changes.

Some specific changes will require updated policies and procedures, different ways of operation [notices], and timings and differences for contract types. There will be more digitised platforms and notices from every point in the process.

Challenges

1] Any procurements launched on or after 24 February 2025 will need to comply with a single new regime for all public contracts under the Act.

2] Public sector buyers will have more flexibility in how they run their procurements, so it is an opportunity for SE organisations to ‘push back’ by asking them to provide more information and do it better. Encourage them to really think about social value and what they want. Ask them about their financial criteria when it excludes smaller organisations. Ask them about their guidance if it is hard to understand and written in a complicated way.

3] There will be greater transparency in how procurements are run, how money is spent, and by whom, plus how well suppliers are performing their contracts. This information will be held on a new Central Digital Platform.

4] The Act will introduce a public debarment list. Suppliers who perform badly on public contracts, or where there are concerns about their organisations, risk being put on the list and excluded from bidding for future public sector contracts.

Social Value

There are key obligations around social value for those procuring services. They will need to think about social value in the way that they procure services. The contracting entity will also need to consider what social value they want to achieve through the contract. Their considerations will be value for money, maximisation of public benefit, the importance of the activity, and acting with integrity. Public sector organisations will

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produce a Procurement Policy Statement [keep an eye out for it!] which will indicate their ‘mission-led procurement’. Some organisations still fail to demonstrate social value and impact, but it is also the responsibility of commissioners to be clear regarding what they want.

Local procurement: commissioners will have more opportunities to understand what is needed by communities, individuals and organisations, etc. This can make the difference between intrinsic social value and added social value. Measurement and evidence will become more important. How SV is embedded within the work delivered, will become pivotal, as it will become clear how it is part of the routine contract and contract management.

What do you need to know?

Financial turnover criteria for contracts with WMCA are going to change to make it easier for social economy organisations to access contracts with WMCA.
WMCA has a new dynamic purchasing system similar to the National Highways system
Social Value creation through contracts is likely to be set at between 10-30 percent.
Social Value creation is likely to be strategic and commissioners should state the social value they are seeking.
There will be a new role at WMCA dedicated to supporting social value creation.
The Procurement Act 2023 will go live in February 2025.
Frameworks will be more open
There will be more digital platforms and processes are going to change. There will be notices at every point in the process to keep organisations informed.
Understanding the guidance will be important and all organisations seeking to procure goods will need to provide guidance. SEUK will also have guidance as will sector bodies such as the LGA. Have conversations with commissioners that you work with to understand what they are seeking.
Pay attention to the key obligations around social value and those seeking to buy goods and services will need to think about SV in the method of procurement.
Social value creation will become part of the contract.
Shape future procurement activities by engaging in the procurement process, working collaboratively with officers, work on trust and communication.

Tips

<ul style="list-style-type: none">• Speak with commissioners and procurers early
<ul style="list-style-type: none">• Push back if you think you are being excluded from the process
<ul style="list-style-type: none">• Challenge, when the guidance is not simple English
<ul style="list-style-type: none">• Work with commissioners on the social value they are seeking, especially at the pre-engagement stage
<ul style="list-style-type: none">• Get into the conversations early
<ul style="list-style-type: none">• Articulate what you want to deliver and what is needed
<ul style="list-style-type: none">• Social value creation will be a clear part of the contract

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3. How does the social economy ecosystem in the West Midlands Support this activity?

The big challenge is how do we bring micro-organisations into supply chains, often these are working with underrepresented groups, and they can be invisible. Some larger organisations that have been reliant on grant funding face similar challenges. Procurement teams repeatedly ask: where are the social economy organisations? as they want to procure from them.

Solutions:

Encourage organisations to register on procurement portals.
Invest in consortia working with a mix and large and small organisations working together to deliver contracts.
Understand and share how 'consortia can be managed'.
Business support organisations should have a better focus on contract readiness.
Organisations need to understand what they are offering, if you cannot compete on price what else can you offer?
In the West Midlands, we need to open the market in our region and work together across the region to win contracts. Take a regional approach rather than a national one.
Risk profile – remove the barriers for smaller organisations to access contracts. Even some of the larger SEs are excluded due to turnover.
Provide more information at the bidding stage – much time can be spent completing tender documentation – if SEs know who else is bidding, they could work together and save time and resources.
Build in opportunity cost of engagement. Consortia could be the only solution to this challenge.
Track record – can be confusing as SEs can be thrown out when they have huge amounts of experience but much larger organisations with no experience or track record can win contracts. Need clear guidance.
Are there opportunities to link work across sectors e.g. employment training more effectively linked to health and social care employment needs or road maintenance? There is a need for high-level strategic planning.
Is there a need for a sector regional agency to join up some of this work? Missing SEWM?

4. Civil Society Covenant

Details on the new Civil Society Covenant are available at [The Civil Society Covenant | NCVO](#). The intention is to publish the new covenant in Spring 2025. The new Government is keen to work with the social economy sector collaboratively going forward. The covenant aims to support civil society organisations and the public sector to work together rather than as it has been in the past, transactional.

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5. Conclusions

The Roundtable covered a huge amount of information on the new Procurement Act 2023 with plenty of discussion on how we can improve collaborative working across agencies to improve access to new business from the public sector.

It became clear that everyone attending felt that they were part of the ecosystem, either accessing support, providing support, or enabling the process. There are still many barriers to engagement some of which will or should be solved by the new Procurement Act however social economy organisations need to understand the changes and what they need to do differently.

There are opportunities for strategic interventions concerning consortia working, approaches by business support organisations, and formulating a West Midlands approach.

It really was an interesting session and thank you to everyone who took part, especially Gayle Monk and Simon Veasey!

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